

**GENESYS LOGIC, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2025 and 2024**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of Genesys Logic, Inc.:

### Introduction

We have reviewed the consolidated financial statements of Genesys Logic, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, , and changes in equity for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the Standard on Review Engagements No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standard on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Opinion

As explained in Note 4(b) to the consolidated financial statements, part of the non-significant subsidiaries included in the aforementioned consolidated financial statements were based on the financial statements not reviewed by independent auditors for the same period. Those statements reflect total assets of \$216,699 thousand and \$230,438 thousand, constituting 6% and 7% of the consolidated total assets, and total liabilities of \$184,324 thousand and \$144,522 thousand, constituting 13% and 11% of the consolidated total liabilities as of September 30, 2025 and 2024, and the absolute values of total comprehensive income of \$27,091 thousand \$8,847 thousand, \$54,188 thousand, and \$21,485 thousand, constituting 19%, 8%, 10%, and 10% of the absolute values of consolidated total comprehensive income for the three-month and nine-month period then ended.

## **Qualified Conclusion**

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investee companies been reviewed by independent auditors as described in the Qualifying Conclusion paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Genesys Logic, Inc. and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance as of and for the three-month and nine-month period ended September 30, 2025 and 2024, and its consolidated cash flows for the nine-month period then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Huang, Yung-Hua and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)

November 11, 2025

## **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in thousands of New Taiwan Dollars)

Assets	September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and equity	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities</b>						
1100 Cash and cash equivalents (Note 6(a))	\$ 1,073,643	30	1,243,793	38	1,086,609	35	2100 Short term borrowings (Notes 6(i) and 8)	\$ 259,000	7	229,000	7	301,000	10
1110 Financial assets at fair value through profit or loss - current (Note 6(b) and (j))	612	-	2,389	-	1,500	-	2120 Financial liabilities at fair value through profit or loss - current (Note 6(b) and (j))	-	-	95	-	500	-
1170 Accounts receivable, net (Notes 6(d) and (q))	308,153	8	285,511	9	316,346	10	2170 Notes and accounts payable	353,854	10	239,879	7	266,297	8
130X Inventories (Note 6(e))	706,961	20	382,451	11	470,700	15	2201 Wages and salaries payable	213,877	6	210,278	6	133,486	4
1470 Other current assets (Note 6(h))	129,482	4	120,681	4	97,453	3	2305 Other current financial liabilities (Note 7)	84,774	3	79,598	3	75,837	2
1476 Other current financial assets (Note 8)	<u>113,085</u>	<u>3</u>	<u>105,283</u>	<u>3</u>	<u>4,463</u>	<u>-</u>	2321 Bonds payable – current portion (Note 6(j))	421,717	12	454,728	14	473,598	15
	<u>2,331,936</u>	<u>65</u>	<u>2,140,108</u>	<u>65</u>	<u>1,977,071</u>	<u>63</u>	2399 Other current liabilities (Notes 6(k) and (q))	<u>45,947</u>	<u>1</u>	<u>68,238</u>	<u>2</u>	<u>38,459</u>	<u>2</u>
								<u>1,379,169</u>	<u>39</u>	<u>1,281,816</u>	<u>39</u>	<u>1,289,177</u>	<u>41</u>
<b>Non-current assets:</b>							<b>Non-Current liabilities:</b>						
1517 Financial assets at fair value through other comprehensive income – non-current (Note 6(c))	202,635	6	73,995	2	79,080	3	2670 Other non-current liabilities (Notes (k))	<u>7,906</u>	<u>-</u>	<u>10,072</u>	<u>-</u>	<u>11,322</u>	<u>-</u>
1600 Property, plant and equipment (Notes 6(f) and 8)	918,377	26	925,808	28	925,698	29		<u>7,906</u>	<u>-</u>	<u>10,072</u>	<u>-</u>	<u>11,322</u>	<u>-</u>
1780 Intangible assets (Notes 6(g))	54,469	1	62,098	2	62,542	2	<b>Total liabilities</b>	<u>1,387,075</u>	<u>39</u>	<u>1,291,888</u>	<u>39</u>	<u>1,300,499</u>	<u>41</u>
1840 Deferred tax assets	36,238	1	60,325	2	59,743	2	<b>Equity attributable to owners of parent (Notes 6(j) and (n)):</b>						
1900 Other non-current assets (Notes 6(h) and 8)	<u>44,661</u>	<u>1</u>	<u>30,143</u>	<u>1</u>	<u>39,702</u>	<u>1</u>	3110 Ordinary share	911,351	25	908,536	28	906,790	29
	<u>1,256,380</u>	<u>35</u>	<u>1,152,369</u>	<u>35</u>	<u>1,166,765</u>	<u>37</u>	3200 Capital surplus	366,394	10	333,056	10	312,944	10
							Retained earnings:						
							3310 Legal reserve	292,855	8	262,228	8	262,228	8
							3320 Special reserve	45,822	1	42,628	1	42,628	1
							3350 Unappropriated retained earnings	<u>642,691</u>	<u>19</u>	<u>526,750</u>	<u>16</u>	<u>389,545</u>	<u>13</u>
								<u>981,368</u>	<u>28</u>	<u>831,606</u>	<u>25</u>	<u>694,401</u>	<u>22</u>
							3400 Other equity	<u>(62,223)</u>	<u>(2)</u>	<u>(76,907)</u>	<u>(2)</u>	<u>(74,622)</u>	<u>(2)</u>
							36XX Non-controlling interests	<u>4,351</u>	<u>-</u>	<u>4,298</u>	<u>-</u>	<u>3,824</u>	<u>-</u>
							<b>Total equity</b>	<u>2,201,241</u>	<u>61</u>	<u>2,000,589</u>	<u>61</u>	<u>1,843,337</u>	<u>59</u>
<b>Total assets</b>	<b><u>\$ 3,588,316</u></b>	<b><u>100</u></b>	<b><u>3,292,477</u></b>	<b><u>100</u></b>	<b><u>3,143,836</u></b>	<b><u>100</u></b>	<b>Total liabilities and equity</b>	<b><u>\$ 3,588,316</u></b>	<b><u>100</u></b>	<b><u>3,292,477</u></b>	<b><u>100</u></b>	<b><u>3,143,836</u></b>	<b><u>100</u></b>

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months and nine months ended September 30, 2025 and 2024****(Expressed in thousands of New Taiwan Dollars , except for earnings per share)**

	For the three months ended				For the nine months ended				
	September 30,				September 30,				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenues (Notes 6(q))</b>	\$ 946,904	100	881,462	100	3,065,973	100	2,232,738	100
5000	<b>Operating costs (Notes 6(e) and 12)</b>	550,281	58	497,084	56	1,565,646	51	1,280,175	57
	<b>Gross profit from operations</b>	396,623	42	384,378	44	1,500,327	49	952,563	43
	<b>Operating expenses (Notes 6(d), (k), (l), (o), (r), 7, and 12)</b>								
6100	Selling expenses	27,317	3	21,426	2	77,988	3	60,576	3
6200	Administrative expenses	60,926	6	53,352	6	188,408	6	142,384	6
6300	Research and development expenses	215,832	23	197,482	23	681,525	22	572,237	26
6450	Impairment loss determined in accordance with IFRS9 (reversal gain)	(309)	-	600	-	216	-	1,164	-
		303,766	32	272,860	31	948,137	31	776,361	35
	<b>Net operating income</b>	92,857	10	111,518	13	552,190	18	176,202	8
	<b>Non-operating income and expenses:</b>								
7100	Interest income	4,724	-	3,971	-	14,714	-	13,409	1
7010	Other income (Notes 6(s))	227	-	565	-	1,362	-	1,431	-
7020	Other gains and losses (Notes 6(b), (j), and (t))	2,707	-	(7,996)	(1)	(66,242)	(2)	16,078	1
7050	Finance costs (Notes 6(j) and (k))	(3,127)	-	(3,554)	-	(9,672)	-	(11,328)	(1)
		4,531	-	(7,014)	(1)	(59,838)	(2)	19,590	1
7900	<b>Profit before income tax</b>	97,388	10	104,504	12	492,352	16	195,792	9
7950	Less: income tax expenses (Note 6(m))	13,870	1	14,838	2	70,950	2	25,876	1
	<b>Net Income</b>	83,518	9	89,666	10	421,402	14	169,916	8
8300	<b>Other comprehensive income:</b>								
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(u))	1,427	-	(280)	-	4	-	2,542	-
	<b>Items that may not be reclassified subsequently to profit or loss</b>	1,427	-	(280)	-	4	-	2,542	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>								
8361	Exchange differences on translation of foreign statement	1,047	-	(940)	-	(2,279)	-	264	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	2,016	-	123	-	2,661	-	123	-
	<b>Items that may be reclassified subsequently to profit or loss</b>	3,063	-	(817)	-	382	-	387	-
8300	<b>Other comprehensive income (after tax)</b>	4,490	-	(1,097)	-	386	-	2,929	-
	<b>Comprehensive income</b>	<b>\$ 88,008</b>	<b>9</b>	<b>88,569</b>	<b>10</b>	<b>421,788</b>	<b>14</b>	<b>172,845</b>	<b>8</b>
	<b>Profit attributable to:</b>								
8610	Shareholders of the parent	\$ 83,518	9	89,666	10	421,402	14	170,045	8
8620	Non-controlling interests	-	-	-	-	-	-	(129)	-
		<b>\$ 83,518</b>	<b>9</b>	<b>89,666</b>	<b>10</b>	<b>421,402</b>	<b>14</b>	<b>169,916</b>	<b>8</b>
	<b>Comprehensive income attributable to:</b>								
8710	Shareholders of the parent	\$ 88,008	9	88,569	10	421,788	14	172,973	8
8720	Non-controlling interests	-	-	-	-	-	-	(128)	-
		<b>\$ 88,008</b>	<b>9</b>	<b>88,569</b>	<b>10</b>	<b>421,788</b>	<b>14</b>	<b>172,845</b>	<b>8</b>
9750	<b>Basic earnings per share (NT dollars) (Note 6(p))</b>	<b>\$ 0.92</b>		<b>0.99</b>		<b>4.65</b>		<b>1.88</b>	
9850	<b>Diluted earnings per share (NT dollars) (Note 6(p))</b>	<b>\$ 0.90</b>		<b>0.97</b>		<b>4.48</b>		<b>1.86</b>	

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2025 and 2024**  
(Expressed in thousands of New Taiwan Dollars)

	Attributable to owners of parent												
	Retained earnings					Other equity							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employees benefit	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	\$ 902,792	315,758	252,267	50,214	385,351	687,832	(4,642)	(37,983)	(46,560)	(89,185)	1,817,197	4,372	1,821,569
Profit for the period	-	-	-	-	170,045	170,045	-	-	-	-	170,045	(129)	169,916
Other comprehensive income for the period	-	-	-	-	-	-	263	2,542	123	2,928	2,928	1	2,929
Total comprehensive income for the period	-	-	-	-	170,045	170,045	263	2,542	123	2,928	172,973	(128)	172,845
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	9,961	-	(9,961)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(7,586)	7,586	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(162,504)	(162,504)	-	-	-	-	(162,504)	-	(162,504)
Conversion of convertible bonds	8	86	-	-	-	-	-	-	-	-	94	-	94
Share-based payments by subsidiary	3,990	(2,900)	-	-	-	-	-	-	11,635	11,635	12,725	1,423	14,148
Change in non-controlling interests	-	-	-	-	(972)	(972)	-	-	-	-	(972)	(1,843)	(2,815)
<b>Balance at September 30, 2024</b>	<b>\$ 906,790</b>	<b>312,944</b>	<b>262,228</b>	<b>42,628</b>	<b>389,545</b>	<b>694,401</b>	<b>(4,379)</b>	<b>(35,441)</b>	<b>(34,802)</b>	<b>(74,622)</b>	<b>1,839,513</b>	<b>3,824</b>	<b>1,843,337</b>
<b>Balance at January 1, 2025</b>	<b>\$ 908,536</b>	<b>333,056</b>	<b>262,228</b>	<b>42,628</b>	<b>526,750</b>	<b>831,606</b>	<b>(3,101)</b>	<b>(42,719)</b>	<b>(31,087)</b>	<b>(76,907)</b>	<b>1,996,291</b>	<b>4,298</b>	<b>2,000,589</b>
Profit for the period	-	-	-	-	421,402	421,402	-	-	-	-	421,402	-	421,402
Other comprehensive income for the period	-	-	-	-	-	-	(2,279)	2,665	-	386	386	-	386
Total comprehensive income for the period	-	-	-	-	421,402	421,402	(2,279)	2,665	-	386	421,788	-	421,788
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	30,627	-	(30,627)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	3,194	(3,194)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(271,640)	(271,640)	-	-	-	-	(271,640)	-	(271,640)
Conversion of convertible bonds	3,245	35,937	-	-	-	-	-	-	-	-	39,182	-	39,182
Share-based payments by subsidiary	(430)	(2,599)	-	-	-	-	-	-	14,298	14,298	11,269	53	11,322
<b>Balance at September 30, 2025</b>	<b>\$ 911,351</b>	<b>366,394</b>	<b>292,855</b>	<b>45,822</b>	<b>642,691</b>	<b>981,368</b>	<b>(5,380)</b>	<b>(40,054)</b>	<b>(16,789)</b>	<b>(62,223)</b>	<b>2,196,890</b>	<b>4,351</b>	<b>2,201,241</b>

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(Expressed in thousands of New Taiwan Dollars)**

	<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before income tax</b>	\$ 492,352	195,792
<b>Adjustments:</b>		
<b>Adjustments to reconcile (profit) loss:</b>		
Depreciation and amortization expense	79,346	79,856
Expected credit loss (reversal gain)	216	1,164
Losses on inventory valuation (reversal gains)	(219,979)	39,871
Interest expense	9,672	11,328
Interest revenue	(14,714)	(13,409)
Compensation cost of share-based payment	11,322	14,148
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	1,682	(3,000)
Gains on disposal of property, plant and equipment	(46)	(3)
<b>Total adjustments to reconcile (profit) loss</b>	<u>(132,501)</u>	<u>129,955</u>
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(22,858)	(115,858)
Inventories	(104,531)	116,796
Other financial assets and current assets	(4,169)	(20,643)
Notes and accounts payable	113,975	99,767
Wages and salaries payable	3,599	(18,850)
Other financial liabilities and current liabilities	(4,437)	29,095
Defined benefit liability	988	1,287
Other non-current liabilities	(323)	(324)
<b>Total changes in operating assets and liabilities</b>	<u>(17,756)</u>	<u>91,270</u>
<b>Total adjustments</b>	<u>(150,257)</u>	<u>221,225</u>
Cash inflow from operations	342,095	417,017
Interest received	13,745	13,672
Interest paid	(3,397)	(4,628)
Income taxes paid	<u>(58,457)</u>	<u>(65,477)</u>
<b>Net cash flows from operating activities</b>	<u>293,986</u>	<u>360,584</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(131,170)	(66,890)
Acquisition of property, plant and equipment	(53,094)	(51,594)
Disposal of property, plant and equipment	217	3
Decrease (increase) in guaranteed deposits paid	7	(10)
Increase in other financial assets	(6,000)	-
Decrease (increase) in intangible assets and other non-current assets	<u>(26,373)</u>	<u>3,702</u>
<b>Net cash flows used in investing activities</b>	<u>(216,413)</u>	<u>(114,789)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	30,000	(100,000)
Payment of lease liabilities	(3,921)	(3,998)
Cash dividends paid	(271,640)	(162,504)
Acquisition of subsidiaries' equity	-	(2,916)
<b>Net cash flows used in financing activities</b>	<u>(245,561)</u>	<u>(269,418)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(2,162)</u>	<u>478</u>
<b>Net decrease in cash and cash equivalents</b>	(170,150)	(23,145)
<b>Cash and cash equivalents at beginning of period</b>	1,243,793	1,109,754
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,073,643</u>	<u>1,086,609</u>

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the nine months ended September 30, 2025 and 2024**  
**(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

GENESYS LOGIC, INC.(the “Company”) was incorporated on April 2, 1997, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO in July 1999, and was listed on Taiwan Exchange (TPEX) in May 2001. Its registered address is at 13F.,No.205,Sec.3,Beixin Rd.,Xindian Dist., New Taipei City. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group” ). The Group mainly specializes in designing, manufacturing, testing and sales of integrated circuit, semiconductor, digital communication products, computer equipment and relevant products, as well as computer program designing. It also acts as an import and export agent for the products mentioned above.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements were authorized for issue by the Board of Directors on November 11, 2025.

**(3) New standards, amendments and interpretations adopted:**

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has adopted the following new amendments to IFRSs, which do not have a significant impact on the consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding Application Guidance in Section 4.1 of IFRS 9 and regulations associated with disclosures of IFRS 7

(b) The impact of IFRS issued by the FSC but not yet adopted

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would have impacts on its consolidated financial statements as follows:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding Application Guidance in Section 3.1 and 3.3 of IFRS 9 and regulations associated with disclosures of IFRS 7
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

(Continued)

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single Note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined “operating profit” subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single Note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the Notes.</li> </ul>	<p>January 1, 2027  Note: The FSC issued a press release on September 25, 2025 to declare that Taiwan will align with IFRS 18 since the fiscal year of 2028.  Entities that require to apply in advance may elect to apply in advance after FSC’s endorsement.</p>

(Continued)

The Group continues to evaluate the impact of the aforementioned standards and interpretations on the consolidated financial position and consolidated financial performance; the relevant impact will be disclosed upon completion of the assessment.

The Group assesses that the adoption of the following other new or amended standards, not yet endorsed by the FSC, would not have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and Amendments to IFRS 19

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”), and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the information required to be disclosed in the whole annual consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, ROC (hereinafter, referred to as “IFRS Accounting Standards endorsed by the FSC”).

Except for those explained as follows, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4 to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

**(b) Basis of consolidation**

Subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Genesys Logic America, Inc. (GLA)	Marketing in America and cooperating the research and development of products with the Company	100%	100%	100%	Note 1
"	Eclat Holding Ltd. (Eclat)	Investing holding	100%	100%	100%	"
"	BROADWAY SYSTEM, INC. (BROADWAY)	Research and development of products	100%	100%	100%	"
Broadway	Broadway System America Inc.(BSA)	Marketing in America and cooperating the research and development of products with BROADWAY	100%	100%	100%	"

Note 1: This is a non-significant subsidiary, whose financial statements were not reviewed by independent auditors.

(Continued)

(c) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The Group measures and discloses the income tax expenses for the interim period in accordance with the regulations in paragraph B12 of International Accounting Standard 34, “Interim Financial Reporting.”

The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period.

Income tax expenses directly recognized in items of equity or other comprehensive income shall be measured by the temporary differences between the carrying amount of related assets and liabilities for the financial reporting purpose and tax base at the tax rates that are expected to apply to the period when they are realized or settled.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

In preparation of the consolidated financial statements in accordance with the Regulation and IAS 34 “Interim Financial Reporting” endorsed by the FSC, management has made judgments and estimates to future (including climate-related risks and opportunities) that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The significant accounting judgements, estimates and key sources of assumption uncertainty by the management in preparing the consolidated financial statements are consistent with the disclosures in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**(6) Explanation of significant accounts**

Except for those explained as follows, the explanations of significant accounts are not significantly different from those in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

**(a) Cash and cash equivalents**

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand, checking amounts and demand deposits	\$ 573,643	779,852	727,903
Time deposits	<u>500,000</u>	<u>463,941</u>	<u>358,706</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 1,073,643</u>	<u>1,243,793</u>	<u>1,086,609</u>

Please refer to Note 6(u) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

**(b) Financial assets and liabilities at fair value through profit and loss**

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<b>Financial assets mandatorily measured at fair value through profit or loss:</b>			
Embedded derivative instrument-redemption rights	<u>\$ 612</u>	<u>2,389</u>	<u>1,500</u>
<b>Financial liabilities designated measured at fair value through profit or loss:</b>			
Embedded derivative instrument-put rights	<u>\$ -</u>	<u>95</u>	<u>500</u>

- (i) For the three months and nine months ended September 30, 2025 and 2024, the gains (losses) on fair value valuation, classified as other gains and losses, amounted to \$(1,266) thousand, \$4,549 thousand, \$(1,682) thousand and \$3,000 thousand, respectively.
- (ii) Please refer to Note 6(j) for the embedded derivative component about the Group's issuance of convertible bonds.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(c) Financial assets at fair value through other comprehensive income - non-current

	September 30, 2025	December 31, 2024	September 30, 2024
<b>Debt instruments at fair value through other comprehensive income:</b>			
Foreign corporate bonds	\$ 61,749	64,849	66,966
Domestic corporate bonds	131,736	-	-
<b>Equity instruments at fair value through other comprehensive income:</b>			
Unlisted ordinary shares on domestic markets – Dano Tech CO., Ltd.	9,150	9,146	12,114
	<b>\$ 202,635</b>	<b>73,995</b>	<b>79,080</b>

(i) Investments in debt instruments at fair value through other comprehensive income

As the Group holds the aforementioned investments in bonds within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, they are presented as financial assets at fair value through other comprehensive income.

(ii) Investments in equity instruments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long-term strategic purposes, not held for trading.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2025 and 2024.

(iii) For credit risk and market risk, please refer to Note 6(u).

(iv) The financial assets mentioned above had not been pledged as collateral.

(d) Accounts receivable, net

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 311,252	288,394	319,541
Less: Loss allowance	(3,099)	(2,883)	(3,195)
	<b>\$ 308,153</b>	<b>285,511</b>	<b>316,346</b>

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

		<b>September 30, 2025</b>		
		<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 310,921	1%	3,099
	Within 30 days past due	331	1%	-
		<b>\$ 311,252</b>		<b>3,099</b>
		<b>December 31, 2024</b>		
		<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 288,350	1%	2,883
	Within 30 days past due	44	1%	-
		<b>\$ 288,394</b>		<b>2,883</b>
		<b>September 30, 2024</b>		
		<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
	Current	<b>\$ 319,541</b>	<b>1%</b>	<b>3,195</b>

The movement in the allowance for accounts receivable was as follows:

		<b>For the nine months ended September 30</b>	
		<b>2025</b>	<b>2024</b>
	Balance at January 1	\$ 2,883	2,031
	Impairment losses	216	1,164
	Balance at December 31	<b>\$ 3,099</b>	<b>3,195</b>

The aforementioned financial assets of the Group have not been pledged as collateral.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(e) Inventories

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Raw materials	\$ 103,049	23,151	58,043
Work in progress	282,435	156,321	172,052
Finished goods and products	<u>321,477</u>	<u>202,979</u>	<u>240,605</u>
	<b><u>\$ 706,961</u></b>	<b><u>382,451</u></b>	<b><u>470,700</u></b>

For the three months and nine months ended September 30, 2025 and 2024, the Group recognized the inventory valuation losses (reversal gains) of \$(25,842) thousand, \$3,558 thousand, \$(219,979) thousand and \$39,871 thousand, respectively, which have been included in the cost of goods sold for inventories written off (reversed) to the net realizable value.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the inventories of the Group had not been pledged as collateral.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(f) Property, plant and equipment

The movement of the property, plant and equipment of the Group were as follows:

	Land	Buildings and construction	Computer and equipment	Office and Other facilities	Unfinished construction and equipment pending acceptance	Total
<b>Cost or deemed cost:</b>						
Balance on January 1, 2025	\$ 573,313	414,015	374,501	423,793	-	1,785,622
Additions	-	83	10,138	41,506	-	51,727
Disposals	-	-	(4,561)	(333)	-	(4,894)
Transfer out	-	-	-	(25)	-	(25)
Effect of changes in foreign exchange rates	-	-	(52)	(75)	-	(127)
Balance on September 30, 2025	<u>\$ 573,313</u>	<u>414,098</u>	<u>380,026</u>	<u>464,866</u>	<u>-</u>	<u>1,832,303</u>
Balance on January 1, 2024	\$ 573,313	411,912	338,886	393,602	-	1,717,713
Additions	-	1,753	25,340	22,552	259	49,904
Disposals	-	-	(1,381)	(547)	-	(1,928)
Reclassifications	-	259	-	-	(259)	-
Effect of changes in foreign exchange rates	-	-	57	47	-	104
Balance on September 30, 2024	<u>\$ 573,313</u>	<u>413,924</u>	<u>362,902</u>	<u>415,654</u>	<u>-</u>	<u>1,765,793</u>
<b>Depreciation and impairments losses:</b>						
Balance on January 1, 2025	\$ -	203,166	259,067	397,581	-	859,814
Depreciation for the period	-	6,615	23,845	28,496	-	58,956
Disposals	-	-	(4,390)	(333)	-	(4,723)
Effect of changes in foreign exchange rates	-	-	(44)	(77)	-	(121)
Balance on September 30, 2025	<u>\$ -</u>	<u>209,781</u>	<u>278,478</u>	<u>425,667</u>	<u>-</u>	<u>913,926</u>
Balance on January 1, 2024	\$ -	194,426	228,852	362,230	-	785,508
Depreciation for the period	-	6,536	23,395	26,485	-	56,416
Disposals	-	-	(1,381)	(547)	-	(1,928)
Effect of changes in foreign exchange rates	-	-	52	47	-	99
Balance on September 30, 2024	<u>\$ -</u>	<u>200,962</u>	<u>250,918</u>	<u>388,215</u>	<u>-</u>	<u>840,095</u>
<b>Carrying amount</b>						
Balance on September 30, 2025	<u>\$ 573,313</u>	<u>204,317</u>	<u>101,548</u>	<u>39,199</u>	<u>-</u>	<u>918,377</u>
Balance on January 1, 2025	<u>\$ 573,313</u>	<u>210,849</u>	<u>115,434</u>	<u>26,212</u>	<u>-</u>	<u>925,808</u>
Balance on September 30, 2024	<u>\$ 573,313</u>	<u>212,962</u>	<u>111,984</u>	<u>27,439</u>	<u>-</u>	<u>925,698</u>

As of September 30, 2025, December 31, 2024, and September 30, 2024, the property, plant and equipment were pledged as collateral for bank loans. Please refer to Note 8.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(g) Intangible assets

The movement of the intangible assets of the Group for the nine months ended September 30, 2025 and 2024, were as follows:

	<u>Patents, Copyrights and Trademarks</u>	<u>Computer software</u>	<u>Total</u>
<b>Carrying amount:</b>			
Balance at September 30, 2025	\$ <u>35,117</u>	<u>19,352</u>	<u>54,469</u>
Balance at January 1, 2025	\$ <u>38,826</u>	<u>23,272</u>	<u>62,098</u>
Balance at September 30, 2024	\$ <u>38,808</u>	<u>23,734</u>	<u>62,542</u>

There were no significant additions, disposals, provision or reversal of impairment in the intangible assets of the Group for the nine months ended September 30, 2025 and 2024. Please refer to Note 12 for the amount of amortization, and Note 6(h) to the consolidated financial statements for the year ended December 31, 2024 for other relevant information.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the intangible assets of the Group had not been pledged as collateral.

(h) Other current assets and other non-current assets

Other current assets and other non-current assets of the Group were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Prepayments	\$ 123,390	119,798	96,964
Input tax, tax credit and others	6,092	883	489
Right-of-use assets	4,732	9,043	8,784
Long-term prepayments	39,276	20,440	27,232
Guarantee deposits paid	653	660	3,686
	<u>\$ 174,143</u>	<u>150,824</u>	<u>137,155</u>

(i) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	\$ 54,000	-	46,000
Secured bank loans	205,000	229,000	255,000
Total	<u>\$ 259,000</u>	<u>229,000</u>	<u>301,000</u>
Unused credit lines	<u>\$ 1,599,000</u>	<u>1,624,000</u>	<u>1,582,000</u>
Range of interest rates	<u>1.59%~1.91%</u>	<u>1.72%~1.79%</u>	<u>1.60%~1.85%</u>

For the collateral for short-term borrowings, please refer to Note 8.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(j) Bonds payable

Information on the Group's issuance of unsecured convertible bonds is as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total convertible corporate bonds issued	\$ 500,000	500,000	500,000
Unamortized discounted corporate bonds payable	(15,083)	(22,972)	(26,302)
Accumulated converted amount	(63,200)	(22,300)	(100)
Ending balance of bonds payable	<u>\$ 421,717</u>	<u>454,728</u>	<u>473,598</u>
Convertible bonds payables - current	<u>\$ 421,717</u>	<u>454,728</u>	<u>473,598</u>
Embedded derivative component — redemption options, included in financial assets at fair value through profit or loss — current/non-current	<u>\$ 612</u>	<u>2,389</u>	<u>1,500</u>
Embedded derivative component — put options, included in financial liabilities at fair value through profit or loss — current/noncurrent	<u>\$ -</u>	<u>95</u>	<u>500</u>
Equity component — conversion options, included in capital surplus- stock options	<u>\$ 34,969</u>	<u>38,244</u>	<u>40,021</u>

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Embedded derivative component-revaluation net gains (losses) on redemption and put options, included in other gains and losses	<u>\$ (1,266)</u>	<u>4,549</u>	<u>(1,682)</u>	<u>3,000</u>
Amortization of bonds payable, included in finance costs	<u>\$ 2,005</u>	<u>2,252</u>	<u>6,171</u>	<u>6,675</u>

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The issuance information on the convertible bonds was as follows:

	<b>2022</b>
	<b><u>domestic unsecured convertible bonds</u></b>
Issuance amount	\$500,000 thousand
Issuance date	2022.8.26
Issuance price	At 100.5% of par value
Coupon rate	0%
Issuance period	2022.8.26~2027.8.26
Trustee bank	Taipei Fubon Bank
Redemption options	The Company may redeem the bonds after November 27, 2022 and before July 17, 2027 when meeting specific requirements.
Put options	Each holder has the right to require the Company to redeem the holder's bonds at a redemption price equal to the principal amount of the bonds with a yield-to-maturity of 100.75% at the principal amount after August 26, 2025.
Conversion period of convertible bonds	Each holder of the bonds will have the right to convert their bonds to common shares at conversion price or redeem the unredeemed and unconvertible bonds at par value with cash during the period from November 27, 2022, to August 26, 2027.
Conversion price	The conversion price is set at \$132 per share at the time of issuance. In the event of an adjustment to the conversion price of the Company's ordinary shares that complies with the terms of issuance, the conversion price shall be adjusted according to the formula specified in the terms of issuance. On March 23, 2023, the Company announced the conversion price would be adjusted from \$132 to \$129.3 beginning on April 21, 2023 (the distribution date of cash dividends). The Company announced on March 25, 2024 that since the base date of cash dividend distribution, April 19, 2024, the conversion price has been adjusted from NT\$129.3 to 127.1. In addition, the Company announced on March 24, 2025 that since the base date of cash dividend distribution, April 17, 2025, the conversion price has been adjusted from NT\$127.1 to 124.8.

The holders of the convertible bonds may exercise the put option during the period stipulated in the operating procedures of the issuance. Therefore, the Company presented them under current liabilities since August 26, 2024, which does not mean someone will definitely request the Company to repay the liabilities within one year in the future.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(k) Lease liabilities

Carrying amount of the lease liabilities of the Group were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current	<u>\$ 3,563</u>	<u>5,053</u>	<u>4,788</u>
Non-current	<u>\$ 1,238</u>	<u>4,069</u>	<u>4,058</u>

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expenses on lease liabilities	<u>\$ 22</u>	<u>39</u>	<u>85</u>	<u>130</u>
Expenses relating to short-term leases	<u>\$ 201</u>	<u>212</u>	<u>331</u>	<u>461</u>

Please refer to Note 6(u) financial instruments for maturity analysis.

The amounts recognized in the statement of cash flows for the Group were as follows:

	<u>For the nine months ended</u>	
	<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	<u>\$ 4,337</u>	<u>4,589</u>

(i) Buildings leases

The Group leases buildings for its offices, warehouses and staff dormitories. The leases typically run for a period of 1 to 3 years. Some leases contain extension options exercisable up to the same period as original contracts before the end of the contract period.

(ii) Other leases

The Group leases parking space and safe deposit box, with lease terms within one year. These leases are short-term items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

As there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the reporting date of the prior fiscal year, the pension costs for the interim period are measured and disclosed by the pension costs determined by actuaries as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the three months and nine months ended September 30, 2025 and 2024 amounted to \$372 thousand, \$483 thousand, \$1,116 thousand, and \$1,448 thousand, respectively, presented under operating expenses of the consolidated statements of

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

comprehensive income.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$6,529 thousand, \$6,111 thousand, \$19,129 thousand, and \$17,927 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

(m) Income taxes

(i) Income tax expense

1) The income tax expenses for the three months and nine months ended September 30, 2025 and 2024 amounted to \$13,870 thousand, \$14,838 thousand, \$70,950 thousand, and \$25,876 thousand, respectively.

2) The amount of income tax recognized in equity or other comprehensive income for the nine months ended September 30, 2025 and 2024 were both 0.

(ii) Assessment of tax

The Company and subsidiaries within the territory of the R.O.C. included in the consolidated entities' tax returns for the years through 2022 and 2023 were assessed by the National Tax Administration, respectively.

(n) Capital and other equity

Except for those explained as follows, there was no significant change in capital and other equity for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(o) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(i) Issuance of ordinary shares

As of September 30, 2025, December 31, 2024, and September 30, 2024, the numbers of authorized ordinary shares were all 123,000 thousand shares, with a par value of \$10 per share, totaling \$1,230,000 thousand, including 15,000 thousand shares for employee stock options, of which 91,135 thousand, 90,854 thousand and 90,679 thousand ordinary shares were issued, respectively.

For the year ended December 31, 2024, 400 thousand shares of restricted stock awards have been issued with a par value of \$10 per share, of which 44 thousand shares have been cancelled for expiration as of September 30, 2025. In addition, as of September 30, 2025, 499.9 thousand shares have been issued at par arising from conversion right executed by holders of convertible bonds. As of the date of the financial statements, the register of changes of the 40 thousand hasn't been completed, and the legal registration procedures for the others have been completed.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Capital surplus

The balances of capital surplus were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Issued share premium	\$ 228,165	228,165	228,259
Employee stock options	5,071	2,940	2,214
Restricted stock awards	37,720	42,450	42,450
Conversion right of convertible bonds	34,969	38,244	40,021
Premium on conversion of Convertible bonds	<u>60,469</u>	<u>21,257</u>	<u>-</u>
	<u><b>\$ 366,394</b></u>	<u><b>333,056</b></u>	<u><b>312,944</b></u>

According to the R.O.C Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

In accordance with the R.O.C Company Act, two thirds of authorized Board of Directors must be present, and more than half of the directors present will reach an agreement to distribute the dividends and bonuses or all or a portion of the legal reserve and capital reserve as stipulated in Item 1 of Article 241 of the Group Law in the form of cash, which is reported to the meeting of shareholders.

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be less than 10% of total dividends.

The amounts of cash dividends on the 2024 and 2023 earnings distribution had been resolved during the board meeting on March 11, 2025 and March 8, 2024, respectively, and approved by the shareholders meeting on June 11, 2025 and June 13, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Dividends per share (NT dollars)	Amount	Dividends per share (NT dollars)	Amount
Dividend distributions to shareholders:				
Cash Dividends	\$ 3.00	\$ <u>271,640</u>	1.80	\$ <u>162,504</u>

Earnings distributions for 2024 and 2023 that were decided by the general meeting of shareholders were not different from the resolution of board meeting. The related information can be accessed from the Market Observation Post System website.

(o) Share-based payment

Except for those explained as follows, there was no significant change in share-based payments for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(p) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

Expenses arising from employee stock options and restricted stock options for the nine months ended September 30, 2025 and 2024 amounted to \$11,322 thousand and \$14,148 thousand, respectively.

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share for the nine months ended September 30, 2025 and 2024, was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Profit attributable to ordinary shareholders of the Company	\$ <u>83,518</u>	<u>89,666</u>	<u>421,402</u>	<u>170,045</u>
Weighted-average number of ordinary shares (thousands shares)	<u>90,779</u>	<u>90,280</u>	<u>90,632</u>	<u>90,280</u>
Basic earnings per share (NT dollars)	\$ <u>0.92</u>	<u>0.99</u>	<u>4.65</u>	<u>1.88</u>

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the nine months ended September 30, 2025 and 2024 is based on the net profit attributable to owners of the ordinary shares of the Company and the weighted average outstanding number of shares after adjusted for dilutive effects of potential ordinary shares. The relevant calculations are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Profit attributable to ordinary shareholders of the Company (basic)	\$ 83,518	89,666	421,402	170,045
Interest expense on convertible bonds, net of tax	<u>1,604</u>	<u>1,801</u>	<u>4,937</u>	<u>5,340</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>85,122</u>	<u>91,467</u>	<u>426,339</u>	<u>175,385</u>
Weighted-average number of outstanding ordinary shares (thousands shares)	90,779	90,280	90,632	90,280
Effect of dilutive potential ordinary shares - convertible bonds	3,500	3,933	3,586	3,907

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

Effect of accrued employees' compensation deemed to be distributed all by shares	486	154	575	194
Effect of issue of shares for restricted stock awards	199	53	216	47
Effect of employee stock options	<u>57</u>	<u>-</u>	<u>81</u>	<u>-</u>
Weighted-average number of outstanding ordinary shares (thousands shares)	<u><b>95,021</b></u>	<u><b>94,420</b></u>	<u><b>95,090</b></u>	<u><b>94,428</b></u>
Diluted earnings per share (NT dollars)	<u><b>\$ 0.90</b></u>	<u><b>0.97</b></u>	<u><b>4.48</b></u>	<u><b>1.86</b></u>

For calculation of the dilutive effect of the employees' compensations, restricted stock awards, and employee stock options, the fair value is assessed based on the quoted market price at the reporting date of the Company.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(q) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Primary geographical markets				
Taiwan	\$ 622,636	596,885	2,126,756	1,400,247
China	310,634	268,479	904,682	782,148
Others	13,634	16,098	34,535	50,343
	<b><u>\$ 946,904</u></b>	<b><u>881,462</u></b>	<b><u>3,065,973</u></b>	<b><u>2,232,738</u></b>
Major products				
Integrated circuit chip	\$ 946,011	881,342	3,062,285	2,229,276
Others	893	120	3,688	3,462
	<b><u>\$ 946,904</u></b>	<b><u>881,462</u></b>	<b><u>3,065,973</u></b>	<b><u>2,232,738</u></b>

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 311,252	288,394	319,541
Less: allowance for impairment	<u>(3,099)</u>	<u>(2,883)</u>	<u>(3,195)</u>
Total	<b><u>\$ 308,153</u></b>	<b><u>285,511</u></b>	<b><u>316,346</u></b>
Contract liabilities	<b><u>\$ 21,551</u></b>	<b><u>22,622</u></b>	<b><u>19,427</u></b>

The details on accounts receivable and allowance for impairment, please refer to Note 6(d).

The beginning balance of contract liabilities as of January 1, 2025 and 2024 recognized as revenue for the nine months ended September 30, 2025 and 2024 were \$16,558 thousand and \$3,507 thousand, respectively.

The contract liabilities primarily related to the advance consideration received from customers for the sales contracts, for which revenue was recognized when products were delivered to customers. The main movements of the contract liabilities for the nine months ended September 30, 2025 and 2024 were due to the time difference between delivering or transferring the products and service to fulfill performance obligations and the customers payment.

(r) Employee compensation and directors' remuneration

The Company modified the Articles of Incorporation by the resolution of the shareholders meeting on June 11, 2025. In accordance with the modified Articles of Incorporation, the Company should contribute no less than 5% of the profit as employee compensation (in the amount of employee compensation, the compensation to the base-level employees shall not be lower than 0.5%.) and no more than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

In accordance with the Articles of Incorporation before modification, the Company should contribute no less than 5% of the profit as employee compensation and no more than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

For the three months and nine months ended September 30, 2025 and 2024, the Company estimated its employee compensation (including compensation to base-level employees ) amounting to \$11,302 thousand, \$12,111 thousand, \$56,645 thousand, and \$22,848 thousand, respectively; as well as its remunerations to directors amounting to \$3,391 thousand, \$3,633 thousand, \$16,994 thousand and \$6,854 thousand, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. If the amounts of actual distribution are different from the accrued amounts, the differences are treated changes in accounting estimates, and recognized in profit or loss for the next year. If the board of directors resolve to distribute employee remuneration by shares, the numbers of shares to be distributed are calculated based on the closing price of the Company's ordinary shares one day before the board of directors' resolution.

For the years ended December 31, 2024 and 2023, the Company provided employee remuneration amounting to \$40,290 thousand and \$12,730 thousand, respectively, and remunerations to directors amounting to \$12,090 thousand and \$3,820 thousand, respectively, which are not different from the amounts of actual distribution.

(s) Other income

The details of other income of the Group were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Rent Income	\$ 298	293	895	876
Other Income	(71)	272	467	555
	<b>\$ 227</b>	<b>565</b>	<b>1,362</b>	<b>1,431</b>

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(t) Other gains and losses

The details of other profits and losses of the Group were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Foreign exchange gains (losses) \$	4,703	(11,472)	(61,221)	15,413
Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(1,266)	4,549	(1,682)	3,000
Others	(730)	(1,073)	(3,339)	(2,335)
	<b>\$ 2,707</b>	<b>(7,996)</b>	<b>(66,242)</b>	<b>16,078</b>

(u) Financial instruments

(i) Credit risk

Except for those explained as follows, there was no significant change in the fair value of financial instruments and the exposure to credit risk, liquidity risk and market risk of financial instruments. Please refer to Note 6(v) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

As of September 30, 2025, December 31, 2024, and September 30, 2024, 81%, 72% and 74%, respectively, of the Group's accounts receivable were concentrated on top five sales clients.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	Carrying amount	Contractual cash flows	Less than 1 years	2~3 years
<b>September 30, 2025</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 259,000	261,035	261,035	-
Notes and accounts payable	353,854	353,854	353,854	-
Bonds payable	421,717	436,800	436,800	-
Other financial liabilities	298,651	298,651	298,651	-
Lease liabilities	4,801	4,855	3,612	1,243
	<u>\$ 1,338,023</u>	<u>1,355,195</u>	<u>1,353,952</u>	<u>1,243</u>
<b>December 31, 2024</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 229,000	229,785	229,785	-
Notes and accounts payable	239,879	239,879	239,879	-
Bonds payable	454,728	477,700	477,700	-
Other financial liabilities	289,876	289,876	289,876	-
Lease liabilities	9,122	9,269	5,161	4,108
	<u>\$ 1,222,605</u>	<u>1,246,509</u>	<u>1,242,401</u>	<u>4,108</u>
<b>September 30, 2024</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 301,000	301,685	301,685	-
Notes and accounts payable	266,297	266,297	266,297	-
Bonds payable	473,598	499,900	499,900	-
Other financial liabilities	203,541	203,541	203,541	-
Lease liabilities	8,846	8,996	4,893	4,103
	<u>\$ 1,253,282</u>	<u>1,280,419</u>	<u>1,276,316</u>	<u>4,103</u>

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to foreign currency risk

a) The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$13,612	30.445	414,416	24,479	32.785	802,543	20,143	31.65	637,520
CNY	3,426	4.271	14,633	3,050	4.478	13,658	3,255	4.523	14,722
<u>Financial</u>									
<u>liabilities</u>									
<u>Monetary</u>									
<u>items</u>									
USD	8,925	30.445	271,735	4,077	32.785	133,650	5,321	31.65	168,420

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, and trade payables that are denominated in foreign currency. A weakening or strengthening of 1% of the NTD against the Foreign currency as of September 30, 2025 and 2024 would have increased or decreased the net profit before tax for the nine months ended September 30, 2025 and 2024 by \$1,573 thousand and \$4,838 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis of the two periods is performed on the same basis.

c) Foreign exchange gain and loss on monetary items

The amount of exchange gains and losses (including realized and unrealized) of the Group's monetary items converted into functional currency, as well as the exchange rate information converted into the parent company's functional currency, New Taiwan Dollar, are as follows:

	<b>For the nine months ended September 30,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Foreign exchange gain (loss)</b>	<b>Exchange rate in average</b>	<b>Foreign exchange gain (loss)</b>	<b>Exchange rate in average</b>
NTD	<u>\$ (61,221)</u>	1	<u>15,413</u>	1

2) Interest rate analysis

Please refer to the Notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<b>Carrying amount</b>		
	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Fixed-rate instruments:			
Financial assets	\$ 799,485	628,790	425,671
Financial liabilities	<u>(680,717)</u>	<u>(683,728)</u>	<u>(774,598)</u>
	<u>\$ 118,768</u>	<u>(54,938)</u>	<u>(348,927)</u>
Variable-rate instruments:			
Financial assets	<u>\$ 573,016</u>	<u>779,551</u>	<u>726,707</u>

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 1 basis points, the Group's profit before income tax would have increased or decreased by \$1,074 thousand and \$1,363 thousand for the nine months ended September 30, 2025 and 2024, respectively.

The Group's financial assets at fixed interest rates are financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2025				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Embedded derivative instruments of convertible bonds	\$ <u>612</u>	-	<u>612</u>	-	<u>612</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Equity investment	\$ 9,150	-	-	9,150	9,150
Foreign corporate bonds	61,749	61,749	-	-	61,749
Domestic corporate bonds	<u>131,736</u>	<u>131,736</u>	-	-	<u>131,736</u>
	<b><u>\$ 202,635</u></b>	<b><u>193,485</u></b>	<b><u>-</u></b>	<b><u>9,150</u></b>	<b><u>202,635</u></b>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalent	\$ 1,073,643				
Accounts receivable, net	308,153				
Other financial assets - current	113,085				
Other financial assets - non-current	<u>653</u>				
	<b><u>\$1,495,534</u></b>				
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 259,000				
Notes and accounts payable	353,854				
Bonds payable	421,717		422,818		422,818
Lease liabilities	4,801				
Other financial liabilities	<u>298,651</u>				
	<b><u>\$1,338,023</u></b>				

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Embedded derivative instruments of convertible bonds	\$ 2,389	-	2,389	-	2,389
<b>Financial assets at fair value through other comprehensive income</b>					
Equity investment	\$ 9,146	-	-	9,146	9,146
Corporate bonds	64,849	64,849	-	-	64,849
	<u>\$ 73,995</u>	<u>64,849</u>	<u>-</u>	<u>9,146</u>	<u>73,995</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalent	\$ 1,243,793				
Accounts receivable, net	285,511				
Other financial assets - current	105,283				
Other financial assets – non-current	660				
	<u>\$ 1,635,247</u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Embedded derivative instruments of convertible bonds	\$ 95	-	95	-	95
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 229,000				
Notes and accounts payable	239,879				
Bonds payable	454,728		453,237		453,237
Lease liabilities	9,122				
Other financial liabilities	289,876				
	<u>\$ 1,222,605</u>				

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	September 30, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Embedded derivative instruments of convertible bonds	<u>\$ 1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Equity investment	\$ 12,114	-	-	12,114	12,114
Corporate bonds	<u>66,966</u>	<u>66,966</u>	<u>-</u>	<u>-</u>	<u>66,966</u>
	<u>79,080</u>	<u>66,966</u>	<u>-</u>	<u>12,114</u>	<u>79,080</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalent	\$ 1,086,609				
Accounts receivable, net	316,346				
Other financial assets - current	4,463				
Other financial assets – non-current	<u>3,686</u>				
	<u>\$ 1,411,104</u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Embedded derivative instruments of convertible bonds	<u>\$ 500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 301,000				
Notes and accounts payable	266,297				
Bonds payable	473,598		472,792		472,792
Lease liabilities	8,846				
Other financial liabilities	<u>203,541</u>				
	<u>\$ 1,253,282</u>				

- 2) Valuation techniques for financial instruments not measured at fair value
- a) Financial assets and financial liabilities measured at amortized cost
- If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

- 3) Valuation techniques for financial instruments measured at fair value
- a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid ask spreads is an indication of nonactive market.

The Group's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- Measurements of fair value of financial instruments with an active market, such as corporate stock, beneficiary certificate etc., its fair value depends on the market quotation.
- Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

The Group's financial instruments which do not have quoted price in an active market, the fair value is measured by net asset value method.

- b) Derivative financial instruments  
Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants.

- 4) The changes in Level 3 fair values were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Opening balance	\$ 7,723	12,394	9,146	9,572
Add: Total gains and losses recognized in other comprehensive income	1,427	(280)	4	2,542
Ending balance	<u>\$ 9,150</u>	<u>12,114</u>	<u>9,150</u>	<u>12,114</u>

There were no transfers in the fair value hierarchy for the nine months ended September 30, 2025 and 2024.

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The fair value measurements of the Group's financial instruments are reasonable. For the value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income — equity investments without an active market	Comparable company analysis	Discount on lack of market liquidity (20% for both September 30, 2025, December 31, 2024, and September 30, 2024) P/B ratio (2.02, 2.08, and 2.54 as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively)	The higher the discount on lack of market liquidity, the lower the fair value. The higher the multiplier, the higher the fair value.

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input	Variation	Other comprehensive income	
			Favorable	Unfavorable
<b>September 30, 2025</b>				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,144	(1,144)
Investments in equity instrument without active market	P/B ratio	5%	457	(457)
<b>December 31, 2024</b>				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,143	(1,143)
Investments in equity instrument without active market	P/B ratio	5%	457	(457)
<b>September 30, 2024</b>				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,540	(1,540)
Investments in equity instrument without active market	P/B ratio	5%	616	(616)

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(v) Financial risk management

There is no significant change in the financial risk management objectives and strategies compared with those disclosed in Note 6(w) to the consolidated financial statements for the year ended December 31, 2024.

(w) Capital management

The capital management objectives, strategies, and procedures are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Besides, there is no significant change in the summarized data for the items of capital management compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6(x) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(x) Non-cash investing and financing activities

The Group's non-cash investing and financing activities for the nine months ended September 30, 2025 and 2024 were as follows:

(i) Obtain right-of-use assets by lease, please refer to Note 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>September 30, 2025</b>
Short-term borrowings	\$ 229,000	30,000	-	259,000
Lease liabilities	9,122	(3,921)	(400)	4,801
Bonds payable	454,728	-	(33,011)	421,717
Total liabilities from financing activities	<b>\$ 692,850</b>	<b>26,079</b>	<b>(33,411)</b>	<b>685,518</b>
	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>September 30, 2024</b>
Short-term borrowings	\$ 401,000	(100,000)	-	301,000
Lease liabilities	11,758	(3,998)	1,086	8,846
Bonds payable	467,017	-	6,581	473,598
Total liabilities from financing activities	<b>\$ 879,775</b>	<b>(103,998)</b>	<b>7,667</b>	<b>783,444</b>

(7) **Related-party transactions:**

(a) Name and relationships with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<b>Name of related parties</b>	<b>Relationship with the Group</b>
Key management personnel	Key management personnel of the Group
SYNTEK SEMICONDUCTOR CO., LTD.	Same as the chairman of the Company

(b) Key management personnel compensation

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Short-term	\$ 13,422	15,982	48,886	42,850
employee benefits				
Post-employment	196	243	628	729
benefits				
Share-based	862	2,128	4,979	6,177
payments				
	<b>\$ 14,480</b>	<b>18,353</b>	<b>54,493</b>	<b>49,756</b>

Please refer to Note 6(o) for further explanations related to share-based payment transactions.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(c) Other related party transactions

(i) Others

The technical service expenses paid to other related parties for the three months and nine months ended September 30, 2025 and 2024 amounted to \$3,480 thousand, \$300 thousand, \$5,220 thousand and \$300 thousand, respectively. As of September 30, 2025 and 2024, the unpaid amount amounted to \$2,378 thousand and \$315 thousand, respectively, presented under other financial liabilities.

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Land	Bank loans	\$ 490,337	490,337	490,337
Buildings	Bank loans	145,018	148,399	149,527
Time deposits (recognized as other financial assets – current)	Guarantee for credit line of purchases and post-release duty payment	106,000	100,000	-
Refundable deposit	Guarantee for post- release duty payment	-	-	3,000
		<u>\$ 741,355</u>	<u>738,736</u>	<u>642,864</u>

**(9) Significant commitments and contingencies:**

As of September 30, 2025, December 31, 2024, and September 30, 2024, the major commitments and contingencies of the Group are as follows:

- (a) The Group issued guarantee for bank loans, amounting to \$1,838,000 thousand, \$1,833,000 thousand and \$1,833,000 thousand, respectively.
- (b) Based on the software maintenance agreement entered into by the Group, the estimated amounts to be paid by the Group for the use of labor services in the future during the contract period are \$101,162 thousand, \$118,491 thousand and \$160,081 thousand, respectively.
- (c) The Group entered into a joint design, production and sales agreement with its peers, wherein the peers shall set aside a certain percentage of sales revenue and gross sales as royalty payments for the use of ICs when selling their products.

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

- (d) The amounts of signed contracts but not due for purchasing equipment and renovation of offices amounted to \$0 thousand, \$0 thousand and \$11,596 thousand, respectively.
- (e) The Group entered into a follow-up supply contract with certain suppliers, wherein the Group will have to pay the estimated amounts of \$0 thousand, \$72,000 thousand and \$108,000 thousand, respectively.
- (f) The amounts of bank guarantee for post-release duty payment on imported goods of the Group were \$1,000 thousand, \$6,000 thousand and \$6,000 thousand, respectively.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(12) Other:**

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	-	196,949	196,949	-	185,508	185,508
Labor and health insurance	-	11,897	11,897	-	11,095	11,095
Pension	-	6,901	6,901	-	6,594	6,594
Other employee benefits	-	4,536	4,536	-	4,398	4,398
Depreciation	10,475	11,500	21,975	7,747	11,656	19,403
Amortization	-	5,380	5,380	-	5,899	5,899

By function By item	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	-	641,552	641,552	-	510,994	510,994
Labor and health insurance	-	35,093	35,093	-	33,005	33,005
Pension	-	20,245	20,245	-	19,375	19,375
Other employee benefits	-	14,124	14,124	-	12,658	12,658
Depreciation	28,167	34,621	62,788	26,091	34,240	60,331
Amortization	-	16,558	16,558	-	19,525	19,525

**(13) Other disclosures:**

## (a) Information on significant transactions:

For the nine months ended September 30, 2025, the following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None

(Continued)

**GENESYS LOGIC, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Significant securities held in the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock: DANOTECH CO., LTD.	None	Equity method at fair value through other comprehensive income - non-current	2,900	\$ 9,150	6.23%	9,150	
	" Syndiant Inc.	"	Financial Assets designation as at fair value through profit or loss - non-current	130	-	0.84%	-	
	" SILICONGEAR CORPORATION	"	"	22	-	0.09%	-	
	" S-SHARP CORPORATION	"	"	250	-	17.46%	-	
					<b>\$ 9,150</b>			
	Bond: SAUDI Internation	None	Investments in debt instruments at fair value through other comprehensive income	-	\$ 16,521	- %	16,521	
	Microsoft Corporation	"	"	-	19,330	- %	19,330	
	Qualcomm Corporation	"	"	-	25,898	- %	25,898	
	TransGlobe Life Insurance (Taiwan) Inc.	"	"		30,186	- %	30,186	
	Nan Shan Life Insurance Company, Ltd.	"	"		101,550	- %	101,550	
					<b>\$ 193,485</b>			

(Continued)

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total Notes/accounts receivable (payable)	
The Company	BROADWAY	The subsidiary of the Company	(Sale)	(231,648)	(7.7) %	90 Days	Note 1	no significantly difference	115,929	30.23%	Note 2
BROADWAY	The Company	Parent company of BROADWAY	Purchase	231,648	86 %	90 Days	"	no significantly difference	(115,929)	(83.95)%	"

Note 1: No other transactions could be comparable.

Note 2: The amounts in left have been eliminated in preparing the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Company with receivables	Counterparty	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables from related party		Receivables from related party collected in subsequent period	Loss allowance
					Amount	Treatment		
The Company	BROADWAY	Subsidiary of the Company	115,929	2.53	-	-	28,709	-

Note 1: Data as of October 31, 2025.

- (vi) Business relationships and significant intercompany transactions with amounts exceeding NT\$10 million:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	BROADWAY	1	Accounts Receivable	115,929	90 Days	3.23%
0	"	"	1	Sales Revenue	231,648	"	7.56%
0	"	GLA	1	Service Expenses	25,629	Payment depending on GLA demand	0.84%

Note 1: "0" represents the parent company, and the others represent the subsidiaries. The subsidiaries start with number 1.

Note 2: "1" represents the transactions from parent company to subsidiary.  
 "2" represents the transactions from subsidiary to parent company.  
 "3" represents the transactions between subsidiaries.

## GENESYS LOGIC, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership (Note 3)	Carrying value (Note 1)			
The Company	GLA	USA	IC design	30,085	30,085	40,000	100%	15,790	1,134	725	Subsidiary
The Company	Eclat	Samoa	Investment holding	168,148	168,148	1,500	100%	9,767	(8,323)	(8,323)	"
The Company	BROADWAY	Taiwan	IC sale	254,418	254,418	6,340	100%	2,465	(42,430)	(42,535)	"
BROADWAY	BSA	USA	IC design	462	462	15	100%	231	(78)	(78)	"

Note 1: Transactions within the Group were eliminated in the consolidated financial statements.

Note 2: It is the direct/indirect shareholding ratio of the Company.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eclat-Shenzhen representative office	Promotion of goods or services	-	Note 1	-	-	-	-	Note 1	Note 1	-	-	-

Note 1: It is through the holding company, Eclat Holding Ltd., to set up a representative office in mainland China to expand the mainland market.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
-	-	1,318,134

(iii) Significant transactions: None

**(14) Segment information:**

The Group is primarily involved in the design and manufacture of integrated circuit and semiconductor. The Chief Operating Decision Maker, which is the sole reportable segment of the Group, evaluates the performance based on the overall operating situation. For the nine months ended September 30, 2025 and 2024, the Group's segment financial information was the same as that of the consolidated financial statements.